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ABSTRACT

To respond to the need for information about states' provision of child care services to state employees, the National Conference of State Legislatures conducted a 50-state survey on the status of state employee child care. The survey's purpose was to quantify state efforts to increase the affordability, availability, accessibility, and quality of child care for parents employed by the state. This paper provides background information about employer-supported child care, reports the results of the survey, and provides a list of contacts in the states. It was found that half of the states provided some type of child care support for state employees. Many programs of limited scope were tests of the feasibility and effectiveness of larger programs. State legislatures in a number of states without such programs are currently considering the provision of them. The trend in state legislatures is toward a coordinated approach to family, children, and work. States recognize that efforts to improve accessibility affect the affordability of child care, and efforts to improve the affordability of child care affect its quality. High quality, subsidized on- and near-site centers have been the most common way to approach all three issues simultaneously. Because of the high costs and commitment required by such programs, employers have begun to implement alternative, cost effective approaches. (RH)

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CHILD CARE FOR STATE EMPLOYEES: A 50-STATE SURVEY

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CHILD CARE FOR STATE EMPLOYEES: A 50-STATE SURVEY

INTRODUCTION

Legislative interest in providing child care for state employees is widespread and growing. Evidence of state interest ranges from requests for information, to legislative study groups, to extensive employee child care systems. In order to respond to the need for information on the topic, the National Conference of State Legislatures conducted a 50-state survey on the status of state employee child care. The survey's purpose was to quantify state efforts to increase the affordability, availability and accessibility, and quality of child care for parents employed by the state. This paper will review the background of employer-supported child care, report the results of the survey and supply a list of contacts in the states.

PURPOSES OF STATE SUPPORT

The proliferation of dual-earner and single-parent families over the past 20 years has had a tremendous impact on the character of the workplace. The labor force participation rates for mothers (with children under 18) rose from 42 percent in 1970 to 63 percent in 1986 (1). This growth in the number of working mothers has not been accompanied by a corresponding increase in adequate and affordable child care. Parents without adequate child care have difficulties in performing well on the job, and may, in fact, be unable to work at all. Employers, too, are affected by the strain between work and family in the form of absenteeism, low productivity and high turnover (2).

The need for child care is not likely to decrease. Demographers estimate that by the mid-1990s, two-thirds of women with preschool-age children and three-quarters with school-age children will be in the work force (1).

Research evidence suggests that both private and public sector employers can experience tangible benefits from providing child care support for their employees. One survey of 415 companies that provide such support found that 65 percent of the respondents reduced turnover as a result of child care assistance; 85 percent experienced a positive effect on recruitment; and 53 percent reduced absenteeism (3). Other evidence indicates that the states as employers can benefit in similar ways. Wisconsin, in a study of its pilot day care program for state employees, found that both employees and their supervisors believe that child care assistance improves employee productivity and attendance, as well as the image of the state (4).

Out of approximately 4.5 million employers in the country, an estimated 2,000 to 3,000 employers provided child care support in 1986. By providing child care assistance to state employees, state legislators hope to promote private sector involvement. States' involvement adds to the models available to employers considering child care support as a benefit. These public sector models are important since the private sector offers few itself. Since involvement in child care is a relatively new enterprise for most businesses, successful models are an important form of encouragement. In addition, state action can begin to establish child care support as a standard form of employer assistance. Many benefits offered first to state and federal employees have later become the norm for private sector employees.

THE STATUS OF CHILD CARE SUPPORT FOR STATE EMPLOYEES

Survey Method. In the spring and summer of 1987, NCSL conducted a 50-state telephone survey to determine which states provide child care assistance for their employees. State experts, including legislative staff, social services and education administrators, and child care advocates and providers were contacted.* Appendix A contains the survey questions, Appendix B summarizes state responses and Appendix C lists contacts in the states.

Survey Results. As of the spring and summer of 1987, 32 states provide or are planning to provide some type of child care support for their employees. The most common form of assistance for the state employee is on- or near-site care. Employers traditionally have either provided child care at the work-place or have not provided it at all. In fact, a range of options is available to assist working parents. Increasingly employers, including the states, are tailoring programs to meet the needs of their particular work force using a combination of several forms of assistance. In addition to supporting on-site child care, the states that responded used three main strategies in approaching employee child care: increasing the availability and accessibility of child care in the community, improving the quality of child care, and reducing the cost of child care.

On-Site Day Care. On- and near-site day care centers have the potential to address each of the major areas of concern to parents. The opening of a center most clearly addresses the availability of care. The parents served have their need for care met directly, and demand in the community is reduced. States can also address the high cost of day care to parents in other ways. For example, New Jersey uses a sliding fee scale and Arizona subsidizes on-site centers. In on- and near-site centers, the states have an opportunity to build high quality programs. This serves the children in the program and provides a model for other providers and employers.

Twenty-six states are providing, planning or piloting day care centers (see Appendix B). Eighteen states actually have on- or near-site day care centers for state employees and either administer the centers themselves or contract with private providers. Massachusetts, New York and California, with 33, 31 and 10 centers respectively, have the most extensive on- or near-site systems. Most of the states that provide on- or near-site child care have only one or two centers. North Dakota, Tennessee and Washington, use their centers as pilot or demonstration projects. Florida, Illinois and Utah give primary responsibility for initiating new centers to the individual agency departments in each of their states.

In addition to those states already providing care, Arkansas and Kansas have studies pending, and Hawaii, Iowa, Louisiana, New Hampshire and Virginia are planning centers. Georgia passed legislation authorizing centers for state employees, but lacks the necessary appropriations.

Increasing the Availability and Accessibility of Child Care. Shortages in adequate day care are particularly severe for infants, toddlers and children with special needs or sicknesses. Research shows an average of eight working

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* Some interviews were completed before the end of the 1987 legislative session.

days are lost per year by parents due to child care difficulties (2). State lawmakers are exploring several options to increase the availability and accessibility of child care. Options being considered include: setting aside building space for center use, providing capital for center start-up costs, and support for new or existing resource and referral services.

The results of the survey show that allowing child care providers to use state facilities is the second most common form of child care support for state employees. Under this arrangement, the state does not assume primary responsibility for the administration of the center. Legislation in eleven states (see Appendix B) authorizes the use of space in state buildings. The special needs of day care centers make suitable space a rare and expensive commodity, but making state space available alleviates one of the most serious barriers to expansion of day care services and aids the opening of new centers. To ensure that state employee needs are met, states may require that these centers give preference to their employees when filling slots. When state lawmakers allow providers to use space at little or no cost, they provide an indirect subsidy to parents and a direct subsidy to providers.

States can encourage providers to enter the market by helping with start-up costs. In both home- and center-based care, the cost of equipping a new facility, purchasing liability insurance, applying for and meeting the standards required by licensing or registration, and paying staff salaries and incidental costs can be prohibitive. The availability of start-up funds can be crucial to a provider's decision to open a facility and to the success of a home or center. Connecticut and Louisiana both contribute start-up funds for child care facilities used by their employees.

Disseminating information about day care through resource and referral is another state strategy for increasing the accessibility of day care services. Pennsylvania provides a list of facilities to its employees. Many resource and referral centers also attempt to generate day care slots in the community to fill the particular needs of their clients. To encourage providers to enter the market, resource and referral centers may offer grants or revolving loans for start-up costs, help guide providers through the regulatory process, or provide information about what kinds of care are needed most. Kentucky, Louisiana, New Jersey and Vermont provide direct assistance to resource and referral centers used by state employees.

Improving the Quality of Day Care. Resource and referral agencies can influence the quality of care for children served and others in the community. For providers whom they have assisted, resource and referral centers can require compliance with particular standards. Comprehensive resource agencies provide care givers with the tools necessary to build and maintain high quality programs by loaning equipment, assisting in setting up family day care networks, and providing technical assistance. To help parents make the best possible choices about day care, agencies also inform parents about the characteristics of high quality day care programs and the background of providers in the community.

In addition to working with resource and referral centers some states have addressed the importance of quality child care by sponsoring programs that help parents improve their skills as child care consumers. Missouri offers a parent education program to its state employees, as well as to other parents

in the state. Massachusetts distributes informational brochures to its parent-employees.

Reducing the Cost of Care. States use a variety of strategies to reduce child care costs for their employees. These efforts can be made directly or in conjunction with other child care efforts. California includes child care assistance as part of the state's benefit package. Illinois directly reimburses parents for the cost of child care.

Some states take advantage of federal tax policies to benefit their employees. In particular, Section 129 of the Internal Revenue Service Code allows for an income reduction plan in which the employer withholds part of an employee's gross income for child care expenses. Neither the employee nor the employer are taxed on the money that is withheld. Kentucky, Massachusetts and Texas take advantage of the federal income reduction plan. Oregon participates in the federal tax program and offers its own state income tax reduction plan for its employees.

Sliding fee scales are another option for states. The amount that a family pays is based on its earnings; parents with greater resources pay more than those with fewer. Kentucky offers a sliding fee scale for its employees. States can subsidize sliding fee scales themselves or require that programs serving state employees adjust their fee schedules according to parents' ability to pay.

Personnel Policies. In addition to direct child care support, states and other employers can use flexible personnel policies to relieve some of the burden on working parents. During the course of the survey, several states volunteered information regarding the personnel policies they have adopted. Colorado, Kansas, Missouri and South Carolina have leave policies for dependent care emergencies. Delaware and Rhode Island have flexible work schedule policies and Connecticut passed a parental leave bill for state employees in the 1987 session. Leave and scheduling options are largely at the discretion of individual departments and supervisors in states where there is no overall employer policy. This is the dominant policy in the private sector as well.

Flexible personnel policies affect parents and their child care situations in a number of ways. Liberal emergency leave policies help to alleviate the stress that a breakdown in the usual child care arrangements can cause. Leave policies for sick children and newborns recognize the general lack and high price of day care for sick children or infants. Flexible work hours can increase the actual amount of time parents have to spend with their children by reducing commuting time and allowing two-parent families to juggle schedules.

Programs Available to All State Citizens. Many state programs that are not specifically designed for state employees are available to them as residents of their states. For example, Connecticut's sliding fee scale is available to all of its residents. The same is true of most state income-based assistance programs. California's state employees are eligible for its statewide resource and referral program. In the 1987 session, Minnesota and Oregon passed parental leave legislation, and Tennessee adopted a maternal leave program that applies to all employees in the state.

CONCLUSION

Half of the states provide some type of child care support for state employees, and it is likely that support for such programs will continue to grow. Many of the programs that currently are of limited scope are tests of the feasibility and effectiveness of larger scale programs. In a number of states not currently providing support, the state legislatures are currently considering involvement.

The trend in state legislatures is toward a coordinated approach to family, children and work. States recognize that efforts to improve accessibility affect the affordability of child care, and efforts to improve the affordability of child care affect its quality. High quality, subsidized on- and near-site centers have been the most common way to approach all three issues simultaneously. States and private sector employers have found, however, that the cost and commitment required by these programs can be prohibitive. Consequently, employers are turning to more flexible approaches to meet the child care needs of their employees cost effectively. Whatever strategies are used, states concur that a comprehensive approach requires consideration of child care accessibility, affordability and quality in order to be effective.

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3. Burud, Sandra L., Aschbacher, Pamela R., and McCroskey, Jacquelyn. Employer-Supported Child Care: Investing in Human Resources. Dover, MA: Auburn House, 1984.

4. State of Wisconsin Pilot Day Care Center Final Report. Department of Employee Relations, State of Wisconsin, 1987.

APPENDIX A

QUESTIONS ASKED

1) Does your state operate day care centers? If so, how many?

2) Does your state provide other kinds of child care assistance to working parents?

3) Does your state provide facilities for outside providers to offer day care services to state employees?

APPENDIX B

SUMMARY OF RESPONSES

State	Administers Centers	Facility Use	Other Assistance
Alabama	No	No	No
Alaska	No	No	No
Arizona	Yes	Yes	Subsidized Centers
Arkansas	Study Pending	No	No
California	Yes	No	Part of Benefits Package
Colorado	No	No	Leave for Sick Care
Connecticut	Yes	No	Start-up Funds, Parental Leave
Delaware	No	No	Flextime
Florida	By Department	Yes	No
Georgia	No Appropriations	No	No
Hawaii	Pilot Planned	No	No
Idaho	No	No	No
Illinois	By Department	Yes	Reimbursement Plan
Indiana	No	No	No
Iowa	Planning	Yes	No
Kansas	Survey Pending	No	Leave for Sick Care
Kentucky	Study	No	Sliding Fee, Resource & Referral, Income Reduction
Louisiana	Planning	No	Start-up Costs, Resource & Referral
Maine	No	No	Pending
Maryland	Yes	Yes	No

Massachusetts	Yes	No	Income Reduction, Brochures, Capital Costs
Michigan	Yes	No	No
Minnesota	No	No	Parental Leave
Mississippi	No	No	No
Missouri	No	No	Sick Child Leave, Parent Education
Montana	No	No	No
Nebraska	No	No	No
Nevada	No	No	No
New Hampshire	Planning	No	No
New Jersey	Yes	Yes	Sliding Fee, Resource & Referral
New Mexico	No	No	No
New York	Yes	Yes	No
N. Carolina	No	No	No
N. Dakota	One Site	No	No
Ohio	Yes	Yes	No
Oklahoma	No	No	No
Oregon	No	No	Parental Leave, Income Reduction, Flexible Work
Pennsylvania	Yes	Yes	Resource List
Rhode Island	Yes	No	Flextime
S. Carolina	No	No	Sick Child Leave
S. Dakota	No	No	No
Tennessee	Pilot	No	Maternal Leave
Texas	No	No	Income Reduction
Utah	By Department	Yes	No
Vermont	No	No	Resource & Referral

Virginia	Planning	No	No
Washington	Pilot	Yes	No
West Virginia	No	No	No
Wisconsin	Yes	Yes	Resource & Referral
Wyoming	No	No	No

APPENDIX C

STATE CONTACTS

State	Phone	Department
Alabama	(205) 262-3456	Federation of Child Care Centers of Alabama
Alaska	(907) 465-3209	Family and Youth Services
Arizona	(602) 255-4900	General Information
Arkansas	(501) 371-5001	Child Development
California	(916) 324-9365	State Personnel
Colorado	(303) 294-5700	Department of Social Services
Connecticut	(203) 566-2575	Department of Social Services
Delaware	(302) 736-5805	Legislative Council
Florida	(904) 488-1234	Public Information
Georgia	(404) 894-3756	Human Resources
Hawaii	(808) 548-2302	Department of Human Services
Idaho	(208) 334-2000	Public Information
Illinois	(217) 785-5493	Dependent Care Assistance Program
Indiana	(317) 232-4440	Public Information
Iowa	(515) 239-1705	Day Care
Kansas	(913) 296-1272	Child Care Licensing, Health & Environment
Kentucky	(502) 564-6746	Department of Social Services
Louisiana	(504) 342-3631	Department of Education
Maine	(207) 289-5060	Department of Human Services
Maryland	(301) 225-6744	Department of Health and Mental Hygiene
Massachusetts	(617) 727-7277	Office of Children
Michigan	(517) 373-8300	Child Day Care Licensing
Minnesota	(612) 296-2599	Labor Relations

Mississippi	(601) 359-3621	Day Care Licensing
Missouri	(314) 751-3221	Department of Social Services
Montana	(406) 444-3865	Department of Family Services
Nebraska	(402) 471-2311	Personnel
Nevada	(702) 885-5911	Child Care Services Bureau
New Hampshire	(603) 271-1110	Child Care Licensing
New Jersey	(609) 292-9642	Division of Youth and Family Services
New Mexico	(505)841-8203	Department of Health and Environment
New York	(518) 436-6301	Empire State Day Care Service
N. Carolina	(919) 733-4801	Day Care Licensing
N. Dakota	(701) 224-4809	Department of Human Services
Ohio	(614) 466-0945	Child Care Center
Oklahoma	(405) 521-3431	Department of Human Services
Oregon	(503) 378-5906	Public Welfare
Pennsylvania	(717) 783-6196	Office of Children, Youth and Families
Rhode Island	(401) 272-2000	Department of Human Services
S. Carolina	(803) 253-6154	Health and Human Services Finance Commission
S. Dakota	(605) 224-9323	Capital Connection Association for the Education of Young Children
Tennessee	(615) 741-7129	Department of Human Services
Texas	(512) 450-3011	Department of Human Resources
Utah	(801) 533-4000	Public Information
Vermont	(802) 241-2158	Department of Social and Rehabilitation Services
Virginia	(804) 281-9024	Department of Social Services
Washington	(206) 753-5406	Department of Personnel
Wisconsin	(608) 267-2419	Wilson Street Center
W. Virginia	(304) 348-7980	Department of Human Services
Wyoming	(307) 777-5994	Family Services Consultant